



November 4, 2002

To: Members, Water Use Efficiency Subcommittee
From: Scott McCreary and Bennett Brooks, CONCUR
Re: Summary: September 11, 2002, WUE Subcommittee Meeting
Cc: Tom Gohring, Water Use Efficiency Program Manager

Below is a brief discussion summary of the Water Use Efficiency Subcommittee meeting held September 11, 2002, in Sacramento. This memorandum is divided into five sections: (1) Background; (2) Participation; (3) Meeting Materials; (4) Discussion Summary; and, (5) Next Steps.

I. BACKGROUND

The fourth meeting of the WUE Subcommittee was held September 11, 2002. The primary purpose of the meeting was to review and consider recommendations related to the WUE Element's funding status.

II. PARTICIPATION

The following subcommittee members or designated alternates participated in the meeting, either in person or via teleconference: Co-chair Frances Spivy-Weber, Todd Manley (for co-chair David Guy), Roberta Borgonovo, Michael Carlin, Mary Ann Dickinson, Chris Dundon, Lloyd Fryer, John Hewitt, Bill Jacoby, Joe Lima, William Miller, Michael Stanley-Jones and Mike Wade. Ex-officio participants included Luana Kiger with DWR, Tracy Slavin with USBR, Wayne Pierson with SWRCB and Matt Reeve with CDFA (for Steve Shaffer).

Also in attendance were the following staff and facilitation support members: WUE Program Manager Tom Gohring, CALFED consultant Mark Roberson, and Scott McCreary and Bennett Brooks, with CONCUR.

Finally, about 15 members of the public attended the meeting.

III. MEETING MATERIALS

The following meeting materials were developed and distributed to support the WUE Subcommittee's deliberations:

In advance:

- Agenda/Discussion Notes
- Memorandum: WUE Implementation Funding – Draft Policy Principles
- WUE-Related Updates
- Key Outcomes Memorandum for August 8, 2002, Subcommittee Meeting
- Updated WUE Subcommittee Roster

As handouts:

- Update on Appropriate Measurement Definition
- WUE Program Assessment and Work Plan – Year 3
- Funding Overview – California Urban Water Conservation Council

Materials will, as appropriate, be updated and posted on the CALFED web page.

IV. DISCUSSION SUMMARY

Welcome, Introductions and Updates

The meeting – the fourth of the WUE Subcommittee – began with a brief review of the agenda and self-introductions. Meeting participants included one new Subcommittee member: John Hewitt with the California Farm Bureau Federation.

Focus Topic: WUE Funding Status

The primary focus of the meeting centered on the Subcommittee's ongoing review of the WUE Element's Funding Status. The discussion centered on two topics: (1) review of the draft Policy Principles; and (2) a review of the WUE Element's current funding levels and proposed approach to performance measures/monitoring. Below is a synopsis of the discussion and actions taken.

1. **Policy Principles Discussion.** Meeting participants discussed, reviewed and suggested revisions to the draft document, *Water Use Efficiency Implementation Funding Policy Principles and Associated Activities*. The document, once finalized, is intended to guide CALFED and CALFED agency budgetary decisions and inform BD-PAC deliberations related to CALFED-wide funding issues.

Participants generally supported the concepts incorporated in the draft. They did, however, recommend a number of substantive changes and flag areas of concern. The primary changes included:

- ***Clarify or eliminate reference to user fees.*** Several participants recommended changing the proposed language to clarify or eliminate the reference to user fees as a possible WUE funding source.

- **Revise language to emphasize need for full funding.** Meeting participants strongly recommended that the document's language be revised to emphasize the need to fund WUE activities at a level consistent with the Record of Decision.
- **Heighten emphasis on funding for sound science.** A number of Subcommittee members called for the document to more strongly emphasize the need to fund science-related activities, such as the tracking of WUE Element-wide performance measures.
- **Emphasize funding decisions that maximize benefits.** Subcommittee members recommended the document be revised in several places to emphasize the importance of making funding decisions that maximize and characterize CALFED benefits.

Following the discussion, participants agreed to forward to the BD-PAC a draft, information-only version of the policy principles document but only if all Subcommittee members felt there were no remaining "red flags" in the material. (Note: Based on issues raised in follow-on e-mails, co-chairs David Guy and Fran Spivy-Weber recommended that the Subcommittee review the draft once more at its November meeting before finalizing the principles document and forwarding it to relevant CALFED decision-making bodies.)

2. **Review of Funding/Approach to Science.** T. Gohring presented and discussed with the Subcommittee the updated WUE funding plan for Year 3. In presenting the information, T. Gohring emphasized the following two points: (1) the WUE Element has an additional \$1.9 million in SB23 funds available to cover Year 3 costs associated with science-related tasks such as performance measures and monitoring; and, (2) excluding recycling dollars, WUE Element funding continues to lag behind ROD-stipulated levels. T. Gohring further noted that there is only limited funding available to tackle critical science tasks beyond Year 3.

The budget review generated several comments and observations:

- Several participants recommended that the Year 3 funding total be presented in a manner that disaggregates funding for recycling, agriculture and urban. The aggregate figure is misleading, they said, since it is heavily geared towards recycling projects.
- Meeting participants recommended that the next version of the Year 3 finances overview document be revised to include local non-match contributions. T. Gohring agreed with the recommendation, but emphasized the difficulties associated with generating such figures. Council representatives agreed to assist the WUE Element in developing such figures.
- Mary Ann Dickinson highlighted the California Urban Water Conservation Council's expected funding needs over the next several years and sought the potential for CALFED funding to help eliminate some of the projected shortfall.

- State and federal implementation partners (SWRCB, DWR and USBR) noted that their current budgets do not including funding or resources to tackle science-related tasks such as performance measures and monitoring (beyond collecting the basic information required of grant recipients). Subcommittee members strongly requested that the CALFED implementation partners meet to devise a coordinated approach that ensure funding of the Element's critical science needs.

Based on the discussions, participants agreed to the following next steps:

- CALFED and implementation partners agreed to develop a proposed strategy for addressing the WUE Element's monitoring and performance measure needs. The strategy is expected to identify an overall approach, specific roles, and funding needs and sources.
- T. Gohring is to revise the WUE finance tables distributed at the meeting to: (1) breakout financing as it relates to the individual agricultural, urban and recycling components; (2) update the local match funding levels with information from the AWMC and CUWCC; and, (3) incorporate the \$1.9 million in SB23 funding available to support WUE activities.

WUE Program and Related Updates

T. Gohring distributed and briefly reviewed a one-page handout describing appropriate measurement-related updates. The handout emphasized three points: (1) background related to development of a definition of appropriate measurement of all water uses; (2) progress to-date, both on the agricultural and urban water use definitions; and, (3) a review of next steps related to urban water use measurement.

Based on the brief discussion, the WUE Subcommittee agreed to provide near-term advice to T. Gohring as he begins to move forward with deliberations on urban-related appropriate water measurement. The advice is expected to focus on three specific areas: (1) information needs necessary to facilitate deliberations on this topic; (2) technical experts capable of supporting deliberations on this topic; and, (3) composition of a Staff Work Group expected to be convened in early 2003 for deliberations on this topic.

The following stakeholder and agency representatives either agreed or were recommended to provide near-term feedback: Bill Jacoby, Bill Miller, Tracy Slavin, Mary Ann Dickinson, Dana Haasz and Mike Hollis. The full WUE Subcommittee will be provided with an update on this topic at its next meeting.

Other updates included a brief overview of legislative actions.

Public Comments

There were no public comments.

V. NEXT STEPS

Based on the discussions, participants agreed to a series of next steps intended to facilitate the WUE Subcommittee's deliberations. Specific next steps are outlined below.

- **Full Subcommittee Meeting Schedule:** Participants agreed to reschedule the next WUE Subcommittee meeting from October 28 to early to early or mid-November. The meeting is to focus primarily on: (1) desalination; and, (2) approach to performance measures/monitoring. The Subcommittee also is expected to finalize the draft Implementation Funding Policy Principles. The exact date and time is to be confirmed at a later date via e-mail.
- **Continued Review of WUE Implementation Funding Policy Principles.** Subcommittee members agreed to review a revised version of the Draft Implementation Funding Policy Principles, updated to reflect the Subcommittee's September 11 discussions, and submit any additional comments by close of business Friday, September 13.
- **CALFED/Agency Partner Discussions on Monitoring/Performance Measures.** CALFED and implementation partners agreed to develop a proposed strategy for addressing the WUE Element's monitoring and performance measure needs. The strategy is expected to identify an overall approach, specific roles, and funding needs and sources. Participants are to include representatives from CALFED, DWR, USBR, State Board, CUWCC and the AWMC. As well, the WUE Subcommittee co-chairs are expected to participate. The results of the group's work will be discussed at the next WUE Subcommittee meeting.
- **Appropriate Measurement Teleconference.** The WUE Subcommittee agreed to provide near-term advice to T. Gohring as he moves forward with urban-related deliberations on appropriate water measurement. The advice is expected to focus on three specific areas: (1) information needs necessary to facilitate deliberations on this topic; (2) technical experts capable of supporting deliberations on this topic; and, (3) composition of a Staff Work Group expected to be convened in early 2003 for deliberations on this topic. Steering Committee participants who agreed (or were volunteered) to provide near-term feedback include: Bill Jacoby, Bill Miller, Tracy Slavin, Mary Ann Dickinson, Dana Haasz and Mike Hollis. The full WUE Subcommittee will be provided with an update on this topic at its next meeting.

Other

Other next steps discussed and agreed to included:

- T. Gohring is to revise the WUE finance tables distributed at the meeting to: (1) breakout financing as it relates to the individual agricultural, urban and recycling components; (2) update the local match funding levels with information from the AWMC and CUWCC; and, (3) incorporate the \$1.9 million in SB23 funding available to support WUE activities.